

From: TONY GALLEGOS (TGALLEGOS)
To: WHEDBERG
Date: Friday, February 18, 1994 4:14 pm
Subject: S/037/081 - Jerry Holliday

John Blake, of State Lands called me this afternoon. He had just talked with Mr. Holliday. The current mineral lease (ML#45960) is in Joe Nielson's name (Jerry's attorney), not Jerry's name. The state has no official record of a sublease to Jerry. Therefore, technically, his mining operation is in violation of the lease. John informed Jerry that a new lease would need to be arranged. In their discussion, Jerry described his current operations as having up to 10+ acres cleared off. John informed Jerry that if his project involved more than 5 acres he would need to file a new plan of operations with DOGM. John suggested I call Jerry and inform him of our large mine permitting requirements. State Lands currently has a \$2,000 bond for this lease.

1450 - same day- call from Joe Nielson(sp?), attorney for Jerry Holliday

He wanted to discuss the permitting requirements for a large mining operations and how the determination is made as to whether a small mine site becomes a large mine site. The site has been the focus of a complaint by SUWA.

I informed him of: what we would consider "disturbed" areas; 30-day review of a large mining application and longer if complex operation, impacts to streams, T&E species, etc.; bonding required for LMO; DOGM would recognize bonds already posted with State Lands; reclamation surety averages \$2-3,000/acre depending upon size/type of operation and natural setting; concurrent reclamation can reduce bonding amount; 3-year evaluation for vegetation success after reclaimed; probably need a site inspection if there are doubts about size of operation or if highly scrutinized; timeframe for inspection would be based upon impacts-concerns-complaints;

I told him that IF the SMO is > 5 acres we would probably ask operator to stop all mining until permitting and bonding completed. He asked if we could accept measurements made by the operator? I told him that if the site is under scrutiny we would probably need to make our own determination. If, with our measurements, the site is very close to 5.0 acres (i.e. 5.05) we would probably ask for some concurrent reclamation and not require a LMO-NOI at this time. IF the site is > 5 acres, there is the possibility of allowing mining to continue within a designated 5-acre area until the large mining permit is finalized. That decision would be made above my level.

I told him that I had planned to call Jerry, but since I had discussed the situation with him (Mr. Nielson) I would let him talk to Mr. Holliday. Mr. Nielson said he would probably contact our office on Tuesday February 22 (Monday is a holiday). I told him I had mentioned the situation to my supervisor, but no *DECISION HAD BEEN MADE AS TO WHAT THE NEXT COURSE OF ACTION, IF ANY, WOULD BE.*